

The Royal Engineers Association

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Patron: HER MAJESTY THE QUEEN



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Distribution:

Chair REA
Members of the REA Finance Committee

31 August 2021

MINUTES OF THE 126th MEETING OF THE ROYAL ENGINEERS ASSOCIATION FINANCE COMMITTEE, HELD ON THURSDAY 26th AUGUST 2021

PRESENT

Col (Retd) CM Davies MBE	Chair
Col M Quare MBE ADC	Corps Colonel
Mr K Kirk	Chief Executive
Maj (Retd) I George	Operations Manager
WO1 (Corps SM) MD Elliott MBE	Corps Sergeant Major
Maj (Retd) I Sidebottom	Corps Treasurer and Secretary

Apologies:

Lt Col M Heffer RE TD	Trustee Member
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1. The Chair opened the meeting by welcoming those attending, especially WO1 Marc Elliott who was attending for the first time. The Chair prompted the Committee the primary reason for the meeting was to discuss and propose the 2022 budget. The Ch Exec reminded the Committee that, following the meeting, they were to be shown the progress being made on the RBLI Centenary Village¹.

ITEM 1 - DECLARATION OF CONFLICTS OF INTEREST

2. As a standing agenda item, the Committee were given the opportunity to declare any actual or potential conflicts of interest they were aware of. None were declared.

ITEM 2 - TO CONFIRM THE MINUTES OF THE 125th MEETING

3. The Committee accepted the minutes of the 125th meeting as a true and accurate record of proceedings.

¹ The REA is supporting with £880k over four years.

ITEM 3 - MATTERS ARISING FROM THE 125th MEETING

4. There were no matters arising from the 125th meeting which were not listed for discussion during this meeting. The Chair asked for an update on the Salty Sappers (Atlantic Rowing Challenge) and was assured by the Corps Colonel the team had raised the required funds and would not be asking for further capital from the Corps' charities. The Ch Exec followed up by confirming the REA owns the boat and could in future provide it to other Sapper teams to take the challenge or, if not required, could sell it. It should therefore be viewed as an asset.

ITEM 4 - REVIEW 2021 BUDGET INCOME & EXPENDITURE

5. The Corps Treasurer took the Committee through the FOO as at 23 Aug 21. A number of formulae had not carried through and the Chair requested several Line Serials be broken out to provide more granularity. A revised FOO is at enclosure 1.

ITEM 5 - INVESTMENT VALUATIONS

6. The Corps Treasurer provided an updated investment valuation (enclosure 2) including a 2021 monthly valuation table. The Committee were very satisfied with the fund performance in what remains a difficult market. BlackRock have increased the quarterly dividend payments from 1.95p to 2.00p per unit which continues to generate c£400k per annum for the charity.

ITEM 6 - CONSIDER AND PROPOSE THE BUDGET FOR 2022

7. The Corps Treasurer and Ch Exec had prepared a draft budget for discussion (enclosure 3). This was based around a number of conditions and assumptions including:

- a. The Days' Pay Scheme revenue from 2022 onwards to be flatlined pending analysis by Corps Col and Corps Treasurer based on the Integrated Review (IR)² and any reduction in the size of the Corps.
- b. Investment Property – rental income has been included from 2022 based on £1,600 per calendar month.
- c. Corps Activities in 2022 to include £10k in support of Platinum Jubilee celebrations (see Item 9 below).
- d. Unit & Branch Support Grants to endure at £100k per annum.

8. The Committee agreed the 2022 budget proposal and commend it to the Board for ratification. Clearly, the budget could be impacted by unforeseen events / activity (whether that be through poor dividend income following a market crash or additional expenditure due to an increase in benevolence demands) but the Board felt the charity remains well-placed to mitigate and outlast such events.

ITEM 7 – INVESTMENT PROPERTY UPDATE

9. The Ch Exec stated the deposit had now been paid and the REA are purchasing a 3-bed property in the Ebbsfleet Garden City development. A project timeline and development plan are at enclosure 4 which will form part of the Board papers in September.

Action: Chief Executive

² The Integrated Review of Security, Defence, Development and Foreign Policy to define the vision for the UK's role in the world over the next decade.

ITEM 8 – CHATHAM SPORTS PAVILION UPDATE

10. The Committee briefly discussed the proposal to support this project with a maximum of £500k. The Committee were supportive and agreed the detail should be placed before the full REA Board when they meet in September.

ITEM 9 – PLATINUM JUBILEE CELEBRATIONS

11. The Board agreed to place £10k in the 2022 budget (within the Esprit de Corps / Corps Activities Line Serial) and would consider any bids to support Platinum Jubilee events on a case-by-case basis (to be submitted via the Ch Exec).

Action: Corps Treasurer and Chief Executive

ITEM 10 - REVIEW RESERVES STATEMENT FOR 2021 AUDIT REPORT

12. The Corps Treasurer presented the draft Reserves Policy statement for consideration. The Committee approved the draft however asked a breakdown of the calculations be added. This has been done (enclosure 5) and the statement will be added to the main Board papers for agreement.

ITEM 11 - REA UNIT & BRANCH SUPPORT GRANTS 2021 UPDATE

13. The Controller took the Committee through the financial allocations made from the 2021 fund against a budget of £100k (enclosure 6). It was agreed 31st October 2021 would be the cut-off date for the final tranche of bids.

ITEM 12 - ANY OTHER BUSINESS

14. The following were covered under AOB:

a. Medway Queen Preservation. A request had been made by the Medway Queen Preservation Society to support their work. Now sited at Gillingham Pier, the Medway Queen made 7 trips to aid the evacuation of Dunkirk and ferried several Sappers to safety. The Committee approved a grant of £1,000 against the Society's 2021 target of £450,000.

b. Operation PITTING. CO 23 Para Engr Regt had requested a grant to assist with welfare improvements for the 56 x RE SP deployed on Op PITTING (Military support to the evacuation of British Nationals and former British staff eligible for relocation under the Afghan Relocation and Assistance Policy (ARAP)). After discussion, the Committee approved a sub-unit Operational Tour Grant of £2,500³.

Action: Corps Treasurer

ITEM 13 - DATE OF NEXT MEETINGS

15. The 2022 meetings of the REA Finance Committee were agreed as follows:

a. Thursday 7th April 2022.

b. Thursday 8th September 2022.

31 August 2021

Secretary

³ Afternote: The funds have been transferred. CO 23 Para Engr Regt said, "That is a great result – many thanks, I know the team will be very appreciative".

Minutes Approved

Date

Chair

Enclosures:

1. FOO as at 23 Aug 21.
2. Investment valuations.
3. Proposed REA budget for 2022 and projected forecast 2023-2026.
4. Investment property update.
5. Proposed Reserves statement for 2021 audit report.
6. REA Unit & Branch Support Grants 2021 - update.